

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

STEPHEN J. HARMELIN, RECEIVER AD LITEM : CIVIL ACTION

v. :

MAN FINANCIAL INC., et al. : NO. 06-1944

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COMMODITY FUTURES TRADING COMMISSION : CIVIL ACTION

v. :

PAUL M. EUSTACE, AND  
PHILADELPHIA ALTERNATIVE ASSET  
MANAGEMENT COMPANY, LLC. : NO. 05-2973

**MEMORANDUM RE: APPROVAL OF SETTLEMENT  
FOR REMAINING DEFENDANTS**

**Baylson, J.**

**March 7, 2008**

On March 5, 2008, pursuant to notice, the Court held a hearing in connection with the Motions for Settlement filed by the Receiver Ad Litem, (“RAL”) and Counsel for the remaining Defendants in this case.

All counsel for these parties were present at the hearing together with the RAL, Stephen J. Harmelin, Esquire, and the Receiver, C. Clark Hodgson, Jr., Esquire, and their counsel. Although Magistrate Judge Strawbridge, who continues to deserve and receive great praise from the undersigned and all counsel for his diligent and skilled stewardship of the settlement process, could not be present, he had related his belief, based on personal knowledge, that these

settlements were the result of hard bargaining and in the overall context of the facts of record, were reasonable.

No objectors appeared at the settlement, nor had any objections been filed. Mr. Harmelin, who similarly deserves great praise for his negotiating skills on behalf of the investors in the various Funds, had presented declarations supporting the settlements, but there was no need for him to personally testify at the hearing. I asked a number of questions concerning details of the settlement agreements and the amounts of settlement, and am satisfied that the settlements are fair and reasonable. I approved a Bar order similar to that entered as to the Man Financial Settlement. See C.A. 06-1944, Doc. No. 494. Applying the applicable legal standards, and for the same reasons cited in the December 28, 2007 Memorandum as to the Man Financial Settlement, the settlements were approved and Orders entered. With these settlements, the recovery from this litigation is \$96,000,000, which together with the approximately \$75,000,000 previously secured by the skilled efforts of the Commission and Mr. Hodgson, amounts to a total recovery of \$171,000,000. This recovery constitutes a sizeable percentage, approximately 68%, of the \$250,000,000 invested in these funds.

Also on March 5, 2008, the Court held a hearing on and approved the Receiver's Motion for Distribution and Allocation, (C.A. 06-1944, Doc. No. 532), without any objection.

BY THE COURT:

s/Michael M. Baylson

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Michael M. Baylson, U.S.D.J.